



DEPARTMENT OF THE ARMY
US ARMY MEDICAL RESEARCH AND MATERIEL COMMAND
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FORT DETRICK MD 21702-5014

MCMR-AAP-A
MEMORANDUM FOR DISTRIBUTION

25 November 2010

SUBJECT: Procurement Advisory Notice (PAN) 11-1*
Administration and Surveillance of Service Contracts

1. Introduction.

a. On 29 March 2010, the Department of Defense (DoD) established new standards for certification of Contracting Officer's Representatives (CORs) for service contracts. On 21 October 2010, the Department of the Army issued policy governing the appointment of CORs that further supplemented the aforementioned new DoD standards. This PAN captures, delineates, and explains the process for appointing CORs resultant of these recent DoD and Army initiatives. This document also addresses the continued need for Quality Assurance Surveillance Plans (QASPs) for particular service contracts.

b. USAMRAA is developing a web-based tool that will permit the electronic nominations of CORs, the input of their training certificates, status of their training/refresher training, reminders of refresher training requirements, etc. When this tool is developed and fielded, this PAN will be revised to provide instructions for its use.

2. Background.

a. The Government Accounting Office (GAO) and the Department of Defense Inspector General (DoDIG) reported that contracts have been subjected to insufficient surveillance. The reports indicated the DoD has accepted substandard performance, has paid for services not received, and has awarded contracts to contractors with a history of substandard performance.

b. A GAO report linked the following four key factors to inadequate surveillance: (1) training personnel in how to conduct surveillance; (2) assigning qualified personnel at or prior to contract award; (3) holding personnel accountable for their surveillance duties; and (4) performing and accurately documenting surveillance throughout the period of the contract.

*This PAN replaces PAN 07-02, 19 March 2010, subject: Principal Assistant Responsible for Contracting Plan for Administration and Surveillance of Service Contracts

3. Procedures.

a. The USAMRAA Contracting Officers shall appoint a properly trained COR in writing before awarding any service contract or service contract action if one or more of the following conditions apply:

(1) The total dollar value of the contract (including options) is greater than \$150,000;

(2) The contract action is for complex services that have quality or performance standards for which contractual conformance must be established progressively through precise measurements, tests, and controls applied during purchasing, performance, and functional operation either as an individual services or in conjunction with other services;

(3) The contract or action is for a critical service in which the failure of the service could injure personnel or jeopardize a vital agency mission and the Contracting Officer determines it appropriate;

(4) Prior contract past performance indicates a need for Government oversight; or,

(5) The Contracting Officer otherwise determines a COR is needed;

(6) A COR appointment is not necessary when the Contracting Officer desires to perform surveillance duties themselves and documents the contract file to that effect.

b. Service requirements are categorized as Type A, B, or C work efforts. Type A work efforts have particular COR experience and training requirements. Type B and C work efforts have the same COR experience and training requirements, but they differ from those required for Type A work efforts. The new DoD standards for COR certifications are:

Type A Work Effort	Type A Experience and Training Standard for COR
Low performance-risk, fixed-price requirements without incentives. Attributes of such requirements might include, for example: lack of technical or administrative complexity, no identifiable risk factors, limited requirement for technical expertise, low likelihood of modifications, effort is a follow-on to an existing contract, etc.	<p data-bbox="971 1507 1140 1539"><u>Experience:</u></p> <ul data-bbox="776 1570 1107 1766" style="list-style-type: none"><li data-bbox="776 1570 1107 1633">– 6 months general Experience<li data-bbox="776 1675 1107 1766">– Relevant experience as determined by supervisor and KO <p data-bbox="992 1770 1118 1801"><u>Training:</u></p>

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<p>COR duties/responsibilities are generally limited to minimal technical and/or administrative monitoring of the contract.</p>	<ul style="list-style-type: none"> - DAU CLC 106 – CORs with a Mission Focus (~8 hours, online) - DAU CLC 206 – CORs in a Contingency Environment, if a contingency environment exists. (~3 hours online) -DAU CLM 003 – Ethics Training for the AT&L Workforce, or equivalent. (~2 hours online) -Mandatory/Specialized training determined by the Agency.
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<p>Type B Work Effort</p>	<p>Type B Experience and Training Standard for COR</p>
<p>Other than fixed price, low risk requirements. Attributes of such requirements might include, for example: the nature of the work is more complex, effort will be performed in multiple regions or in remote geographic locations, contract might contain incentive arrangements or cost sharing provisions, contract is a cost-type or T&M/LH type.</p> <p>COR duties/responsibilities are of increased complexity.</p>	<p><u>Experience:</u></p> <ul style="list-style-type: none"> - 12 months general Experience - Relevant experience as determined by supervisor and KO <p><u>Training:</u></p> <ul style="list-style-type: none"> - DAU COR 222 – Online training For CORs (~32 hours online), or Army Logistics University COR Course, or equivalent. - DAU CLC 206 – CORs in a Contingency Environment if a contingency environment exists. (~3 hours online) - DAU CLM 003 – Ethics Training for the AT&L Workforce, or equivalent. (~2 hours online) -Mandatory/Specialized training determined by the Agency.

Type C Work Effort	Type C Experience and Training Standard for COR
<p>Unique contract requirements that necessitate a professional license, technical license or higher education, beyond the type B requirements.</p> <p>Such requirements might include: environmental remediation, major weapons systems, medical services, dental services, and veterinarian services, etc.</p> <p>COR duties/responsibilities involve highly complex or specialized requirements.</p>	<p><u>Experience:</u></p> <ul style="list-style-type: none"> – 12 months general Experience – Relevant experience as determined by supervisor and KO <p><u>Training:</u></p> <ul style="list-style-type: none"> – DAU COR 222 – Online training For CORs (~32 hours online), or Army Logistics University COR Course, or equivalent. – DAU CLC 206 – CORs in a Contingency Environment if a contingency environment exists. (~3 hours online) - DAU CLM 003 – Ethics Training for the AT&L Workforce, or equivalent. (~2 hours online) -Mandatory/Specialized training determined by Agency

c. The requirement that CLC 222, the Acquisition Logistics University COR course, or equivalent, be completed prior to being appointed a COR for Type B and C Work Efforts is relaxed. COR appointments for these work efforts can be made without completion of the required training. However, by January 31, 2011 all previously appointed CORs without this training, and all new COR appointments after that date, must submit evidence of course completion.

d. Refresher training is required. DAU CLC 106 must be repeated within three years of the date it was last completed. Likewise for DAU CLC 222, the Acquisition Logistics University COR course, or equivalent. DAU CLM 003, or agency provided ethics training, must be repeated within one year of the date last completed. Additional refresher training can be required by the local contracting activity.

e. Certificates of training commensurate with Type A, B, or C Work Efforts shall be provided for each COR candidate. The certificates shall be furnished as part of the initial procurement package submitted to USAMAA for processing.

f. In accordance with Under Secretary of Defense (Acquisition, Logistics, and Technology) guidance, a COR's contributions must be addressed in their annual performance appraisals. Therefore, USAMRAA Contracting Officers shall, when approached by rating officials of CORS for input into that individual's appraisal, provide information.

g. Quality assurance shall be performed on all contracts per Federal Acquisition Regulation (FAR) 46.102 and 37.603. To this end, a QASP is necessary to ensure the Government receives and pays for an acceptable level of goods and services required by the contract. The QASP shall be prepared in accordance with the statement of work and documented in writing whenever a COR is appointed, unless specifically exempted in writing by the Contracting Officer. Contracting Officers shall not exempt the QASP without a justifiable reason. During contract administration, the QASP shall ensure systematic quality assurance methods are used. The level of surveillance described in the QASP should be commensurate with the dollar level and complexity of the acquisition. The link, (<https://learn.edu.dau.mil/html/clc/Register.jsp>) to the DAU CLC 013, Performance-Based Services Acquisition, provides instructions for developing and writing statements of work and QASPs. Sample QASPs are provided on the USAMRAA website at www.usamraa.army.mil. Therein, click on the Sample Contract Supporting Documents link. Additionally, USAMRAA Contracting Officers stand ready to provide guidance to customers pertaining to QASP development whenever approached.

h. In each designation of a COR, the Contracting Officer will require the COR to furnish results of the surveillance conducted in accordance with the QASP.

4. PROPONENT. The proponent of this policy is the USAMRAA Chief of the Staff.



PAUL G. MICHAELS, eJD
Principal Assistant Responsible
for Contracting

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